GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4061
ANSWERED ON:18.04.2002
INVESTORS EDUCATION AND PROTECTION FUND
DR. KIRIT SOMAIYA

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Department has started investors education and protection fund;

(b) if so, the nature of the fund;

(c) whether a very small amount has been available to this fund;

(d) whether the Department has collected the figures and amount of unclaimed dividend from various companies;

(e) if so, the details about the unclaimed dividend available of the company and transferred in this account;

(d) whether the Government has planned to make any suggestion to the auditors to make disclosure regarding transfer of unclaimed dividend to investors protection fund;

(g) if so, the details thereof;

(h) whether the Department has planned a campaign on investors education and awareness; and

(i) if so, the details thereof?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) Yes, Sir.

(b) The Investor Education and Protection Fund shall be utilized for protection of investors. As per Section 205 C (2)of the Companies Act, 1956, the following amounts shall be credited by the companies to the Fund, if they have remained unclaimed and unpaid for a period of seven years from the date they became due for payment :

(i) unpaid dividend

(ii) un-paid application money received by companies for allotment of securities and due for refund;

(iii) un-paid matured deposits.

(iv) un-paid matured debentures

(v) interest accrued on the amounts referred to in (i) to (iv) above.

(c) : An amount of Rs.3.02 crores has been made available to the Department under this Fund during the financial year 2002-03.

(d) & (e): According to the available information up to the end of February,2002 an amount of Rs. 23.51 crores has been deposited by the companies in this account.

(f) & (g) Schedule VI is being amended to provide for disclosures regarding transfer of unclaimed amounts, mentioned in reply to part

(b) of the of the Question, to the Investor Education and Protection Fund

(h) & (i) Yes, Sir. The following are the basic objectives of the Investor Education and Protection Fund:

(i) creating awareness among investors about various investment options

(ii educating the investors about risks involved in any investment programme

(iii) educating the investors about their rights under various laws of the country.